



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

July 6, 2006

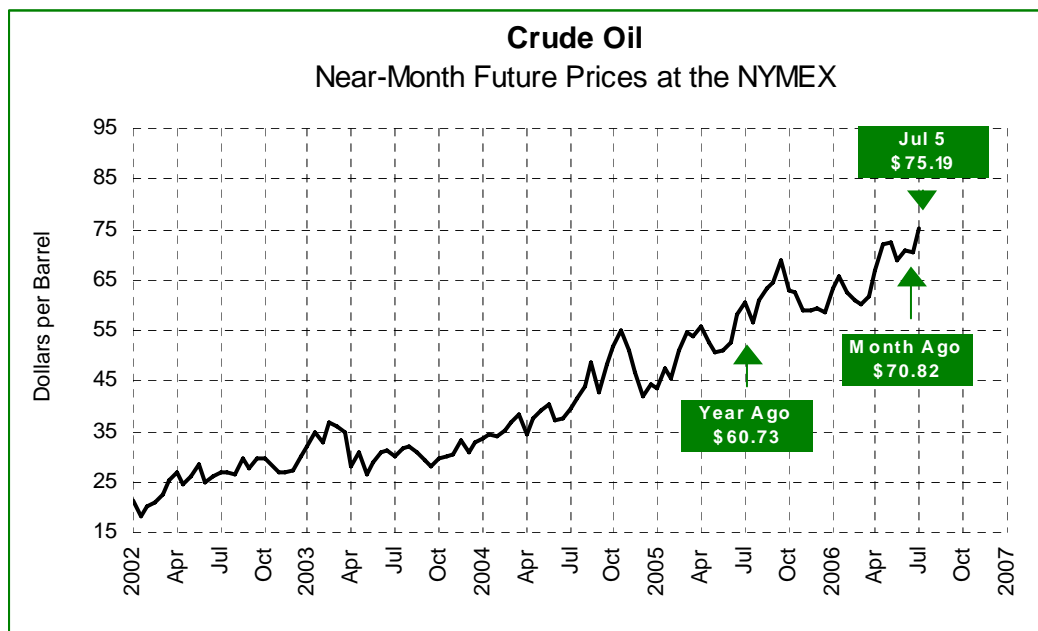
Crude Oil

On July 5, crude oil futures for August delivery on the NYMEX jumped \$1.26, or 1.7% higher, to settle at \$75.19 per barrel, a new record price.

Crude Oil - Near Month Future Prices (dollars per barrel)

	<u>07-05-06</u>	<u>06-07-06</u>	<u>change</u>	<u>07-07-05</u>	<u>change</u>
NYMEX	\$75.19	\$70.82	up 6%	\$60.73	up 24%

- Crude oil prices settled at a new record price of \$75.19 per barrel on Wednesday, July 5 amid strong U.S. demand and ongoing tensions over North Korea's missile launches and Iran's nuclear program. The day's session also established an all-time intra-day trading record price of \$75.40 per barrel.
- Refinery related issues resulted in a reduction in gasoline production by 120,000 barrels per day nationwide last week. U.S. refineries reported operating at 93 percent capacity, down 0.7 percent from the prior week. Refinery inputs stood at 15.9 million barrels of crude oil per day compared to 16.5 million barrels for the same period last year.



- Supply concerns raised by the dispute between key oil producer Iran and the West over Tehran's atomic bomb ambitions, along with a partial loss of Nigerian supply, helped drive prices to the

previous intra-day record price of \$75.35 set in April 2006. Lingering concerns over oil production by Norway and anti-American sentiments by Venezuela are contributing to stronger crude oil and petroleum prices. Iran, Nigeria and Venezuela are members of OPEC and are significant sources for global oil production.

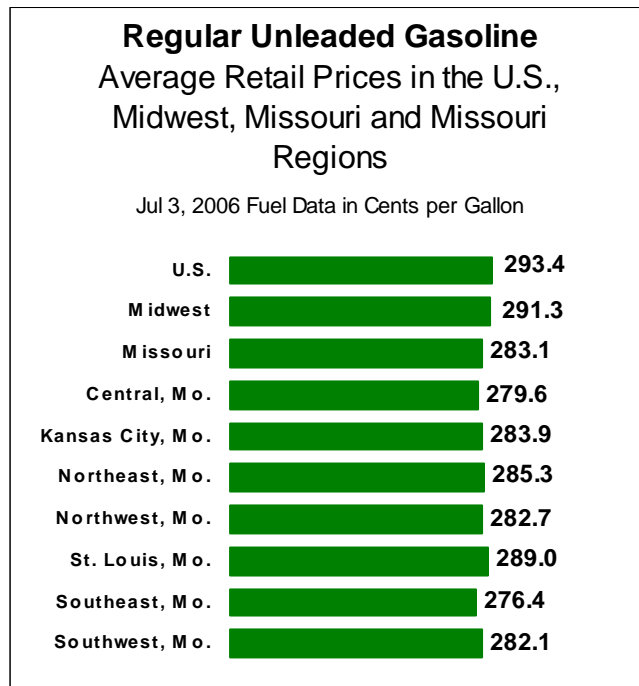
- U. S. crude oil supplies decreased 2.4 million barrels to 341.3 million barrels for the week ending June 30, according to the U.S. Department of Energy's weekly petroleum report.
- U.S. crude oil production decreased slightly for the week ending June 30 to approximately 5.1 million barrels per day, staying below the 5.5 million barrels per day at this time last year. Crude imports decreased slightly to 10.5 million barrels compared to 10.2 million barrels per day at this time last year.

Transportation Fuels

On July 3, Missouri's average retail price for regular unleaded gasoline was \$2.83 per gallon, representing a 5 percent increase from last month.

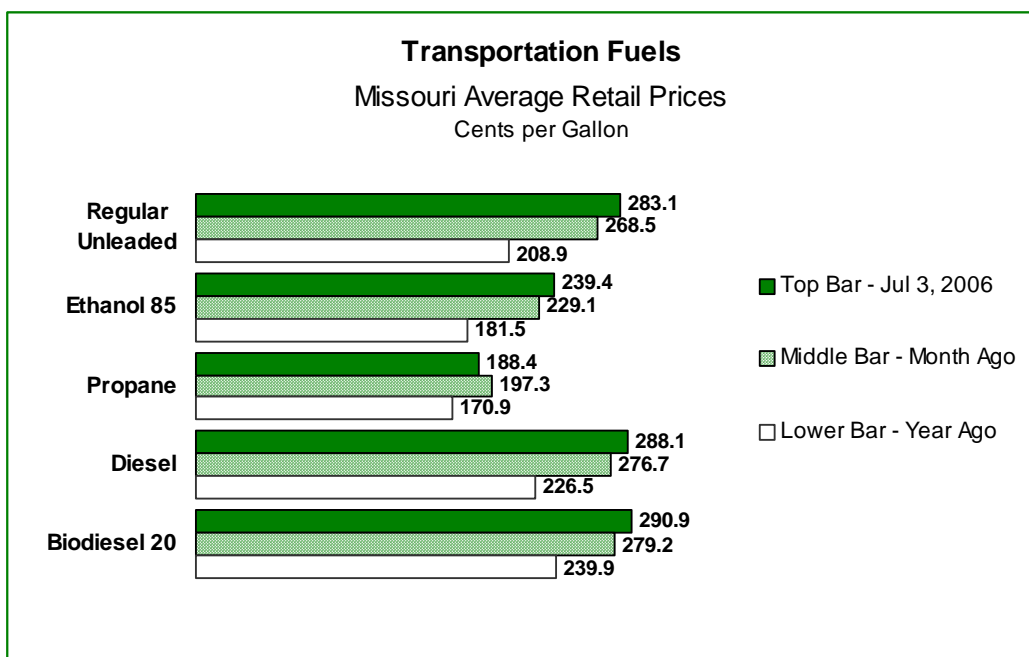
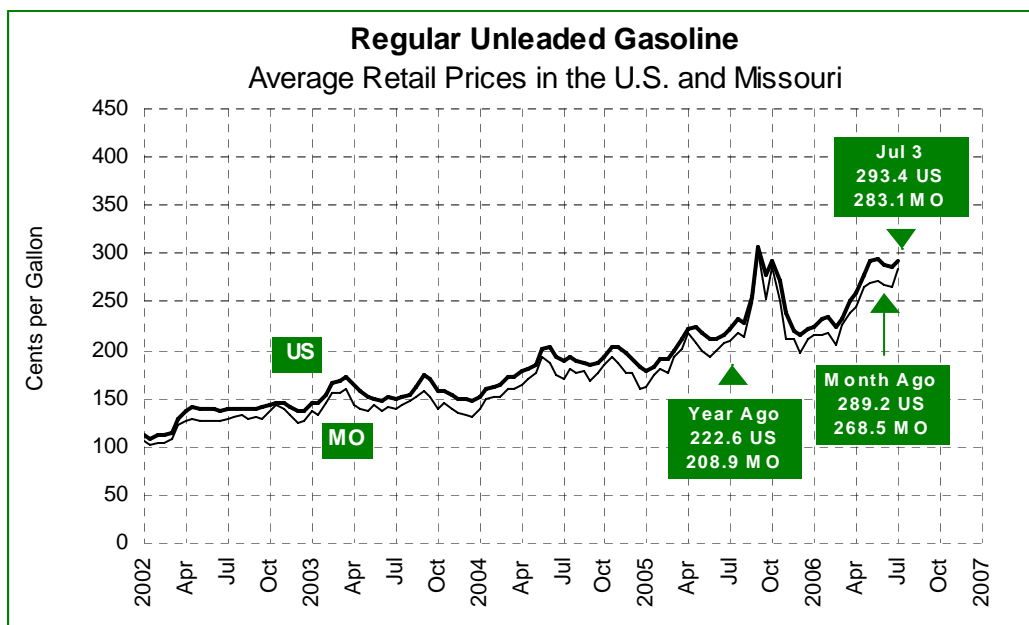
<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>07-03-06</u>	<u>06-05-06</u>	<u>change</u>	<u>07-04-05</u>	<u>change</u>
US	293.4	289.2	up 1%	222.6	up 32%
Missouri	283.1	268.5	up 5%	208.9	up 36%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>07-03-06</u>	<u>06-05-06</u>	<u>change</u>	<u>07-04-05</u>	<u>change</u>
US	289.8	289.0	up 1%	234.8	up 23%
Missouri	288.1	276.7	up 4%	226.5	up 27%



- On July 3, Missouri's statewide average gasoline retail price was up 14.6 cents while diesel retail

prices increased 11.4 cents from last month. Although Missouri retail prices continue to trend below the U.S. averages, prices for Missouri gasoline and diesel are 36 and 27 percent higher than last July, respectively. The U.S. average retail gasoline price was \$2.93 per gallon, up 6.3 cents from mid-June.



- The average retail price of ethanol (85% blend or E-85) at Missouri retail stations on July 3 was \$2.39 per gallon, an increase of 14.8 cents, or 7 percent, from the last survey conducted on June 19.

Motor Gasoline - Total Stocks (millions of barrels)					
	06-30-06	06-02-06	change	07-01-05	change
US	213.1	210.3	up 1%	215.3	down 1%

U.S. gasoline supplies are up 700,000 barrels from a week ago at 213.1 million barrels but are 2.2 million

barrels lower than last year's level at this time of nearly 215.3 million barrels. Analysts had anticipated a draw on gasoline supplies for the week ending June 30; however, the combination of strong production at 9.2 million barrels per day (b/d) and an increase in gasoline imports of 1.3 million b/d improved the nation's gasoline stockpile.

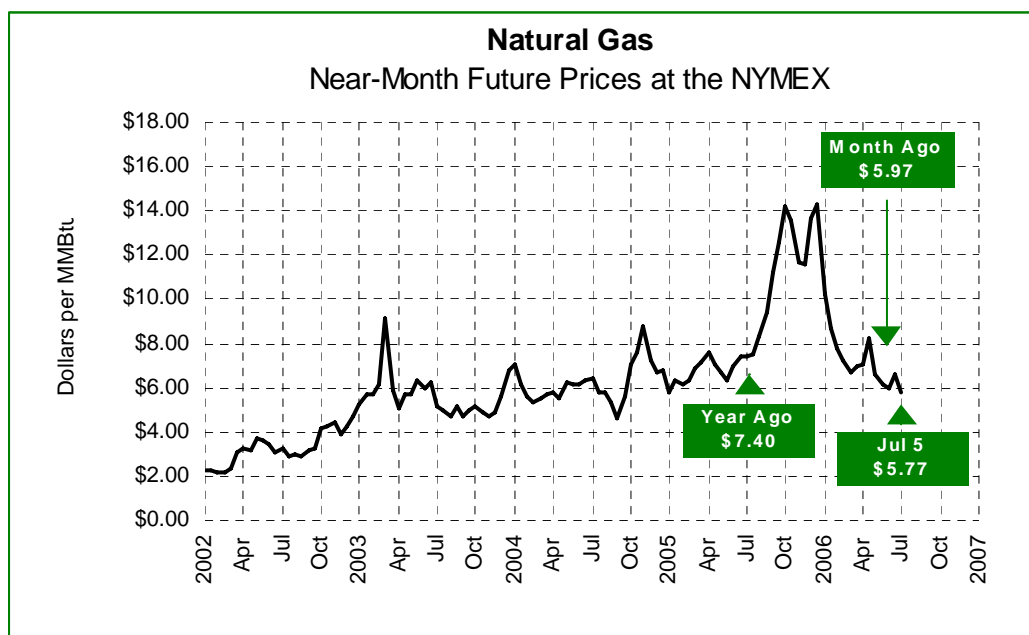
Implied demand for gasoline hit 9.645 million b/d last week, and the four week average number is 9.5 million b/d. Measured against those rates, the nationwide inventory represents just over 22 days' supply.

Natural Gas

On July 5, natural gas futures closed at \$5.77 per MMBtu, a decrease of 3 percent or \$0.20 since last month.

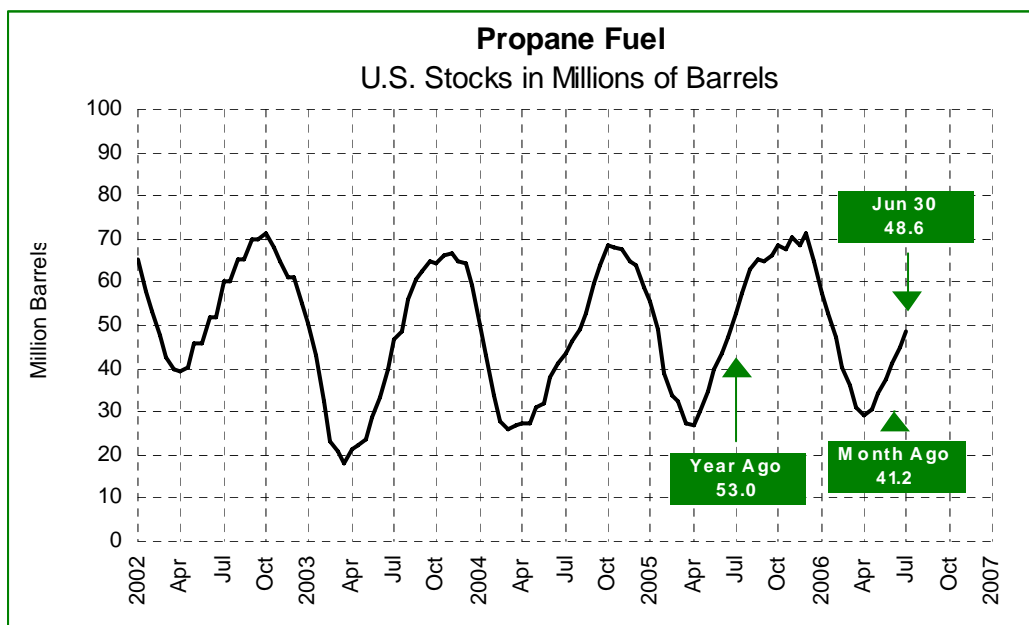
Natural Gas - Near Month Future Prices (dollars per mmbtu)					
	07-05-06	06-07-06	change	07-07-05	change
NYMEX	\$5.77	\$5.97	down 3%	\$7.40	down 22%

- At the NYMEX, the price of the futures contract for August delivery settled at \$5.77 per MMBtu on July 5, a decrease of \$0.34 from Friday, June 30 (the NYMEX was closed July 3 and 4) and \$1.63 from a month ago. Prices decreased last week as cooler-than-normal temperatures in many areas of the country limited demand for natural gas as a fuel for power generation to meet air-conditioning load. The lack of industrial demand during the holiday week, as well as generally ample supplies already in storage this summer, contributed to the widespread price declines.
- Working gas in storage as of June 30 totaled 2,615 Bcf, which is 29.2 percent above the 5-year average inventory level for the reporting week, according to EIA's Weekly Natural Gas Storage Report. Stocks were 425 Bcf higher than last year at this time and 591 Bcf above the 5-year average of 2,024 Bcf. As of June 19, the U.S. Minerals Management Service estimated that nearly 935.7 million cubic feet per day or approximately 9.4 percent of the Gulf's natural gas production, remains shut down from last fall.



Propane

Propane - Residential Prices (cents per gallon)					
	<u>07-03-06</u>	<u>06-05-06</u>	<u>change</u>	<u>07-04-05</u>	<u>change</u>
Missouri	160.8	158.9	up 1%	138.8	up 16%



- According to the Missouri Energy Center's monthly summer propane survey, the average retail price for residential propane was \$1.61 per gallon on July 3 compared to \$1.59 per gallon on June 5. The current price is 22 cents or 16 percent higher than at this time last year.
- Last week, U.S. inventories of propane rose by 1.9 million barrels to reach an estimated 48.6 million barrels as of June 30, a level that continues to track near the lower boundary of the average range for this time of year. Midwest inventories improved by 0.6 million barrels to 20.5 million barrels for the week ending June 30. Midwest inventories stood at 18.5 million barrels at this time last year.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers. For more information, contact: MO Dept. of Natural Resources, Energy Center, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443 or (800) 361-4827; Fax: (573) 751-6860; E-mail: energy@dnr.mo.gov; Web Address: www.dnr.mo.gov/energy/transportation/fb.htm